



2026 German American Business Outlook

German American Chambers of Commerce



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GLOBAL GERMAN CHAMBER NETWORK



93
Countries



150
Locations



>48,000
Members



>3,000
Voluntary Board
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2026 GERMAN AMERICAN BUSINESS OUTLOOK

EXECUTIVE SUMMARY

Rebound year predicted after difficult 2025

82% expect sales growth in 2026, after only 64% saw growth and 23% experienced a decline in 2025.

Challenges lead to divergent expectations – Company outlooks for “very strong growth” and “decline” in net sales are both above historic norms.

Tariffs and political uncertainty replace workforce as top challenges.

86% report negative impacts from tariffs.

Investment plans remain strong, mainly due to market size and customer base.

67% expect to increase their investment in the U.S. this year.

Twice as many companies as last year plan investments in digital transformation, while workforce investment remains top priority.

AI implementation more than doubled

57% of companies have implemented AI projects.





2026 GABO RESULTS

Survey Participants

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2026 GERMAN AMERICAN BUSINESS OUTLOOK

ANNUAL SURVEY OF GERMAN COMPANIES IN THE U.S.



JANUARY 2026

OVER 240 RESPONDENTS



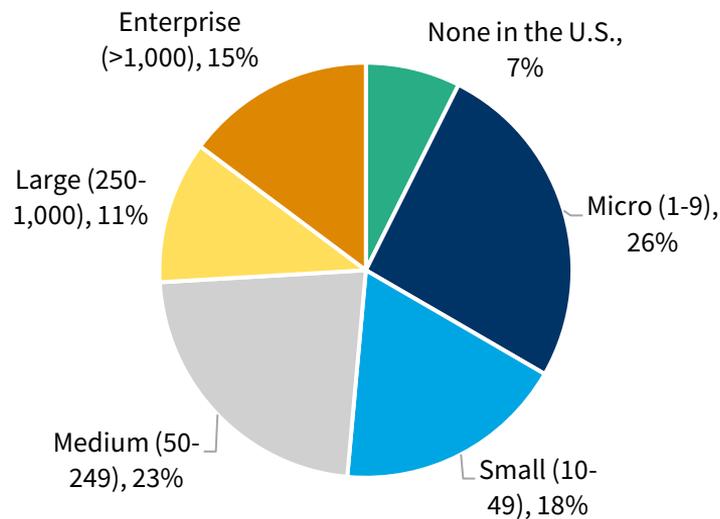
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COMPANY PROFILE OF RESPONDENTS

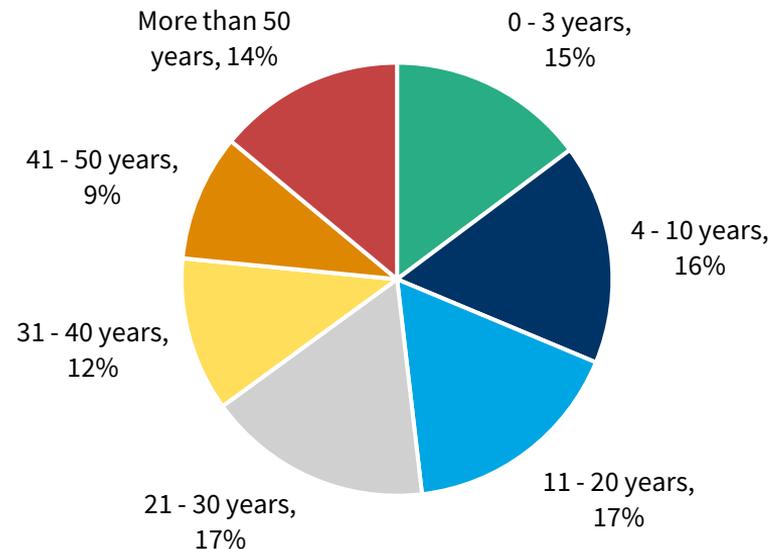
NUMBER OF EMPLOYEES



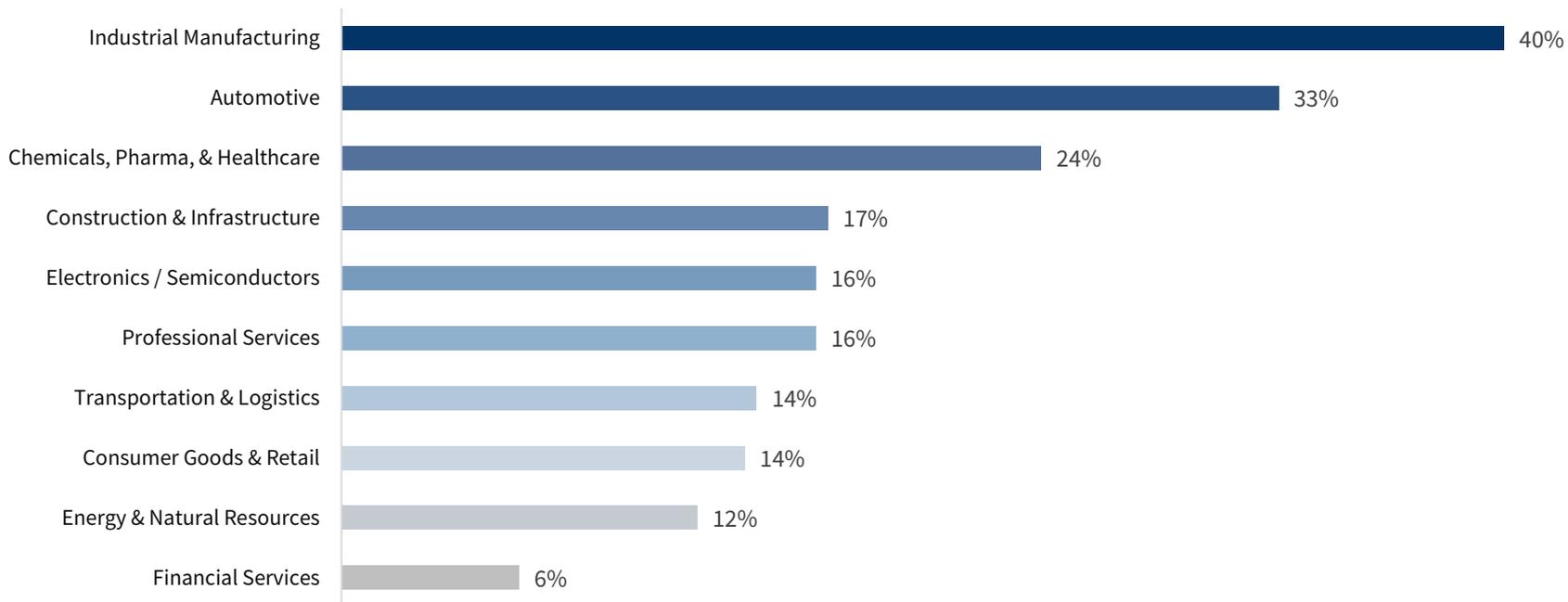
Q19 "How many employees do you have in the U.S.?" 2026 N=243

Q18 "How long has your company been active in the U.S.?" 2026 N=243

YEARS IN THE U.S.



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COMPANY PROFILE OF RESPONDENTS

Q20 "In which industries is your company primarily active in the U.S.?" Multiple answers possible, N=243

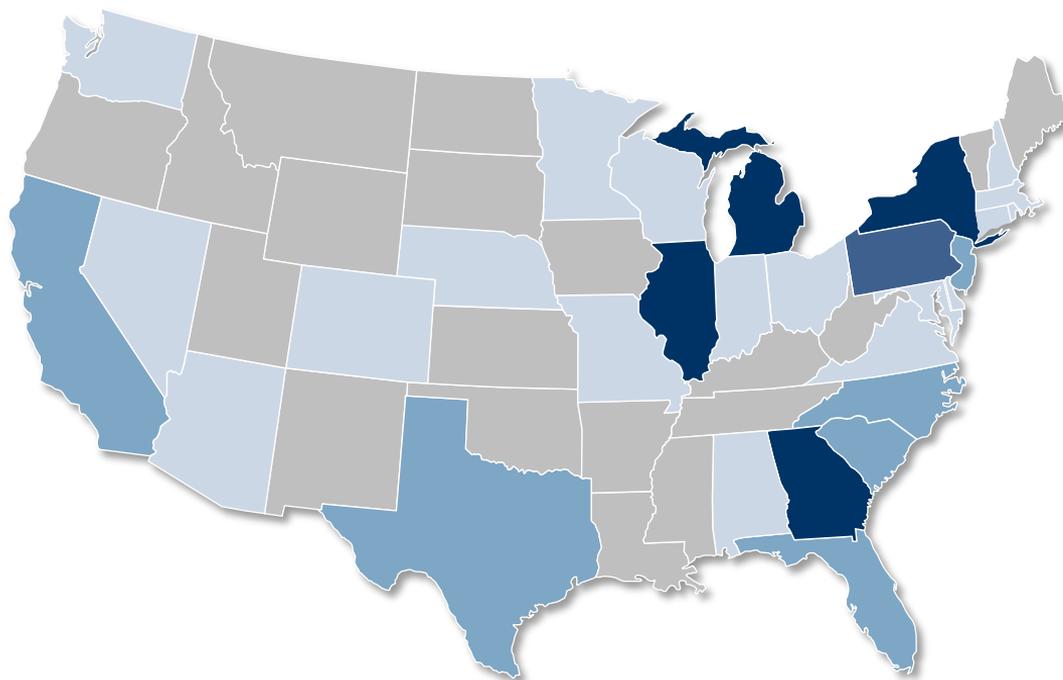


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Source: GACCs, 2026

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HQ DISTRIBUTION OF RESPONDENTS

**Top States:
IL, GA, NY, MI**

0

31

Q21 "In which state is your U.S. headquarters located?" 2026 N=240

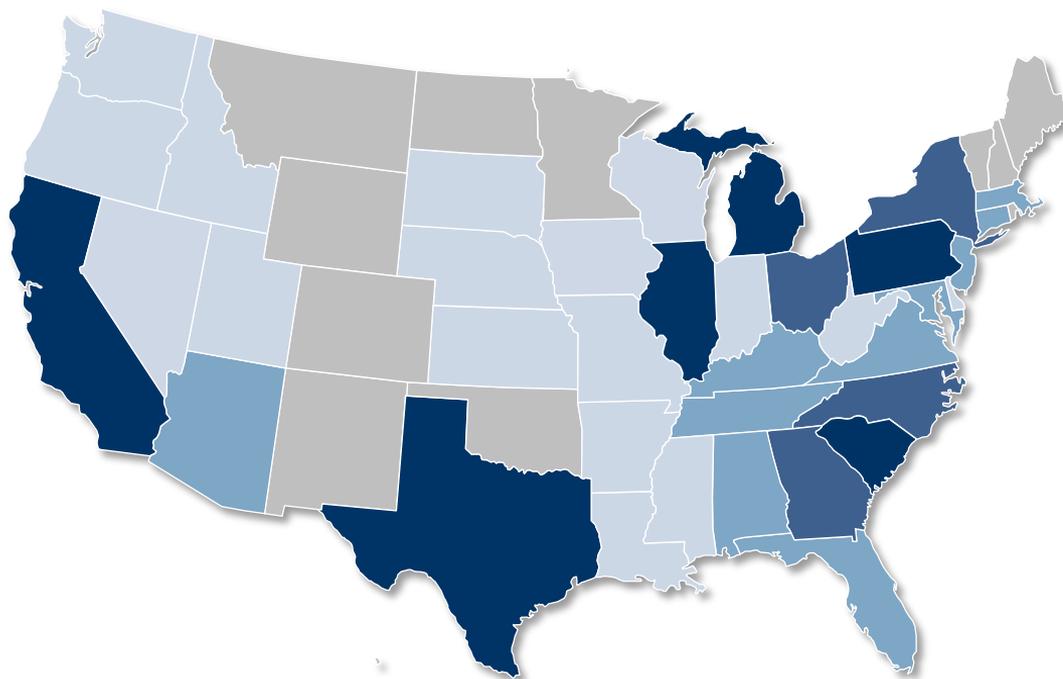


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Source: Q21 GACCs 2026

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PRODUCTION HUBS OF RESPONDENTS ACROSS THE U.S.

Top States:
MI, CA, IL, PA, SC, TX

0

24

46% of respondents have a U.S. production facility excluding professional and financial services.

Q22 "Do you have a U.S. Production facility?" 2026 N=241

Q23 "In which states is your U.S. production facility located?" Multiple answers possible, 2026 N=98



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Source: Q22-23, GACCs 2026, multiple answers possible



2026 GABO RESULTS

Rebound after difficult 2025

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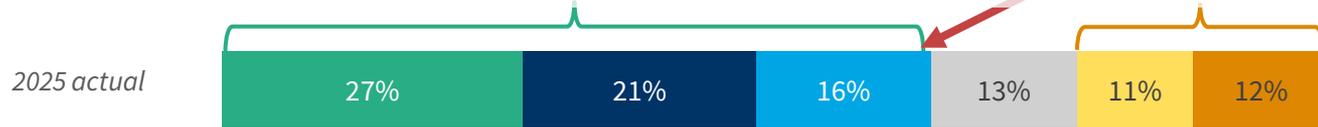
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DISAPPOINTING 2025 BUT READY FOR REBOUND

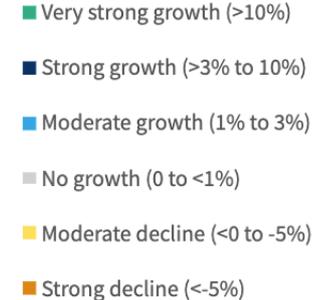
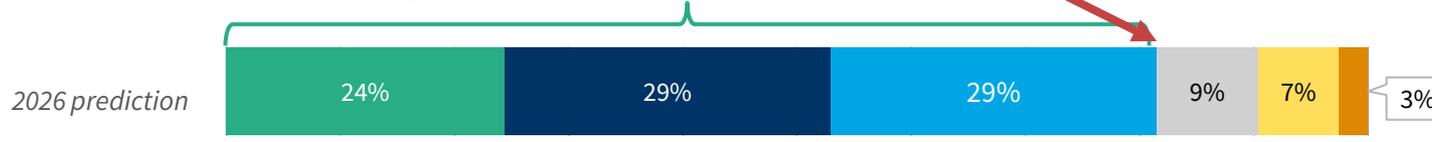
In Jan 2025, 86% predicted growth in net sales



However, only 64% reported growth in net sales in 2025, while 23% saw a decline



For 2026, 82% predict growth in net sales

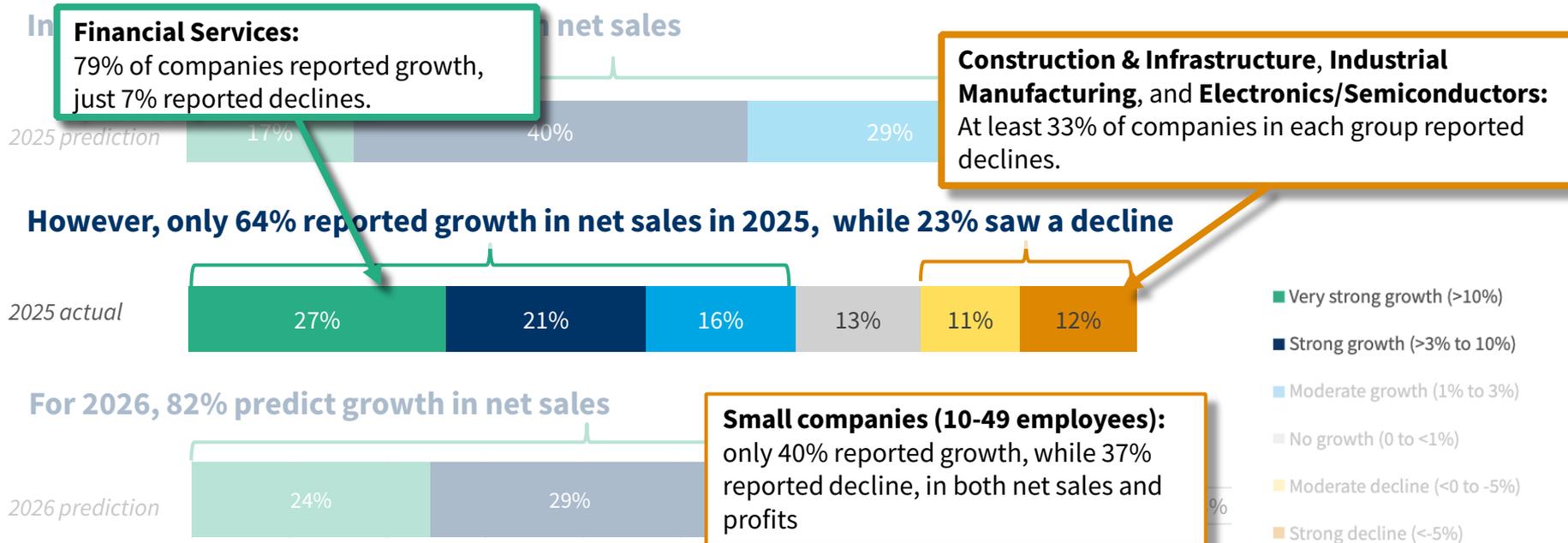


Q2 "How did your company's 2025 business performance in the U.S. compare to 2024?" 2025 N=207, 2026 N=240

Q3 "Looking forward, how do you predict your business in the U.S. will develop in [coming year] vs. [last year]" Subcategory Net Sales 2025 N=207, 2026 N=243

2026 GERMAN AMERICAN BUSINESS OUTLOOK

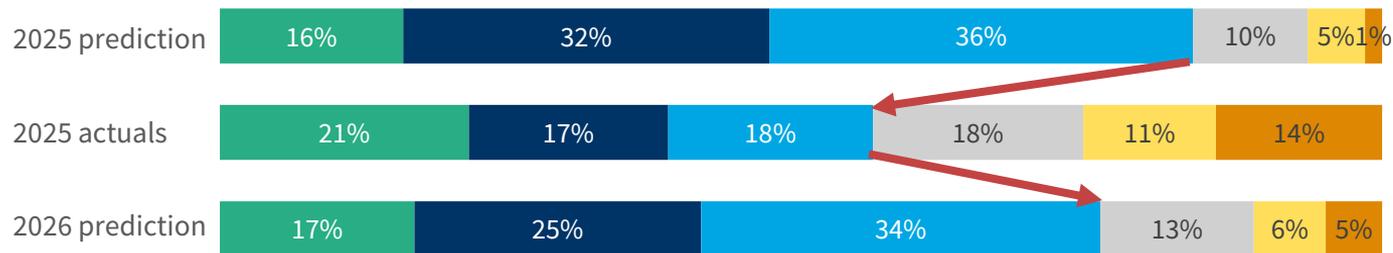
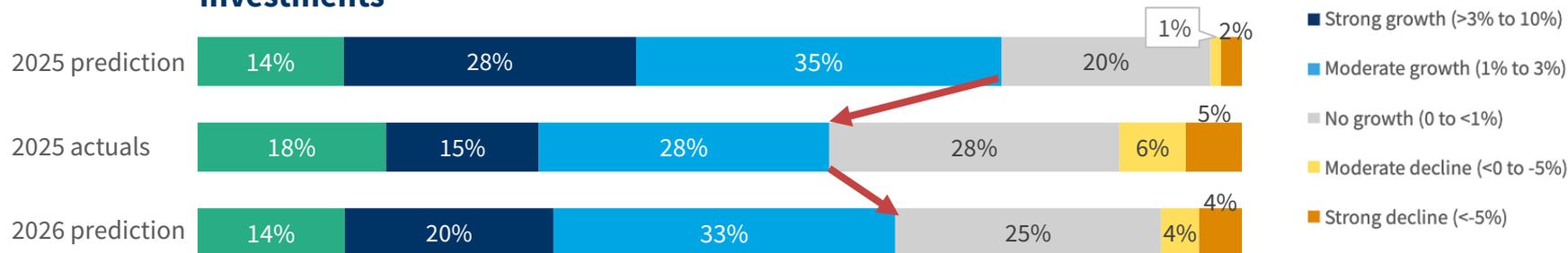
2025 NET SALES BREAKDOWN



Q2 "How did your company's 2025 business performance in the U.S. compare to 2024?" 2025 N=207, 2026 N=240

Q3 "Looking forward, how do you predict your business in the U.S. will develop in [coming year] vs. [last year]" Subcategory Net Sales 2025 N=207, 2026 N=243

2026 GERMAN AMERICAN BUSINESS OUTLOOK

PROFITS & INVESTMENTS SHOW SAME REBOUND PATTERN**Profits****Investments**

Q2 "How did your company's 2025 business performance in the U.S. compare to 2024?" subcategories Profits and Investments; 2026 N=240
 Q3 "Looking forward, how do you predict your business in the U.S. will develop in [coming year] vs. [last year]"; 2026 survey N=240-243; 2025 survey N=203-207



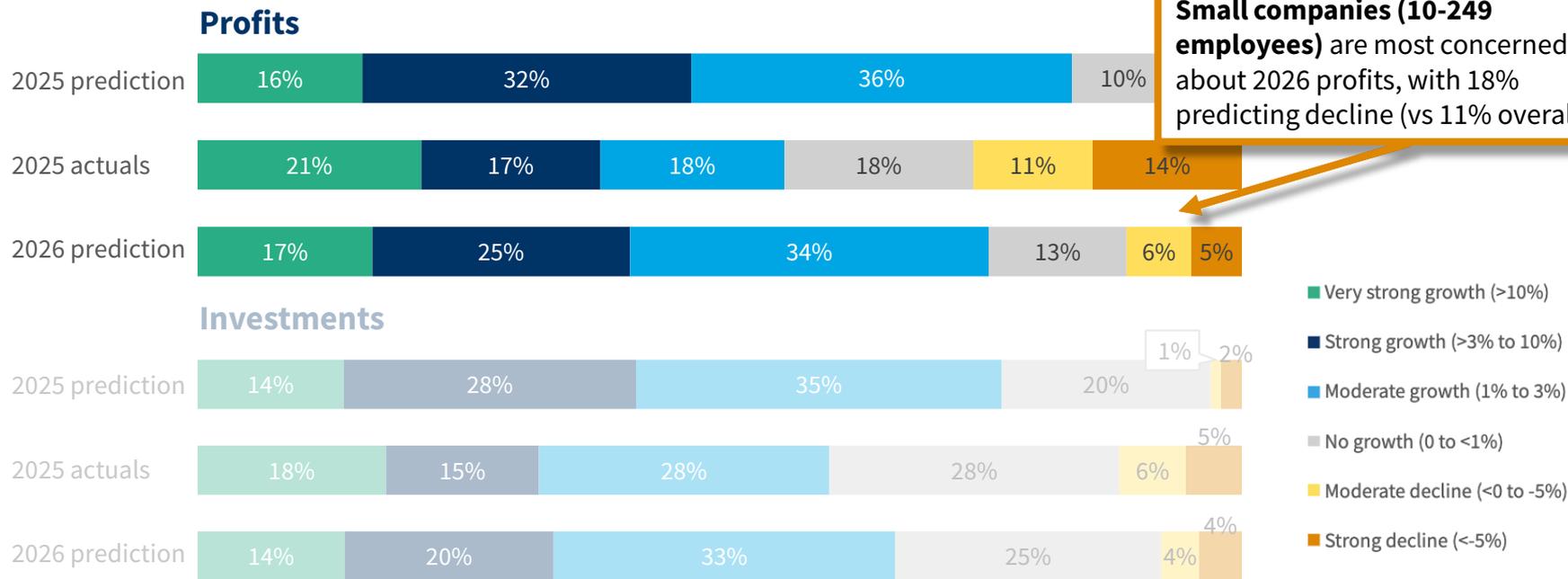
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Source: GACCs, 2025 and 2026

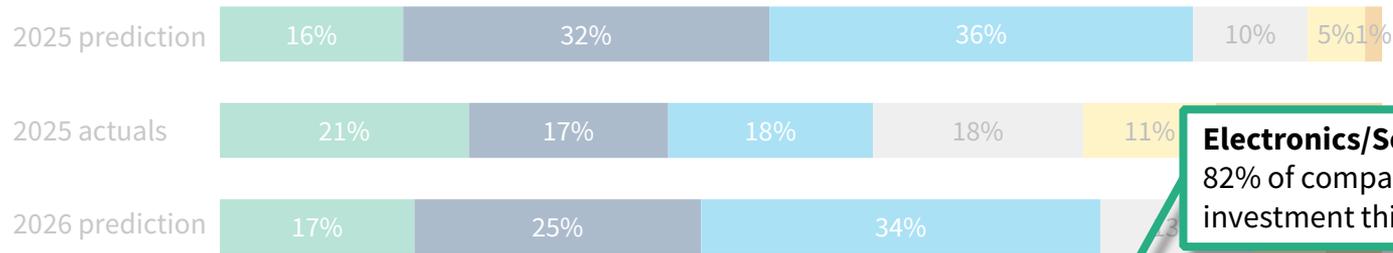
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PROFITS & INVESTMENTS SHOW SAME REBOUND PATTERN

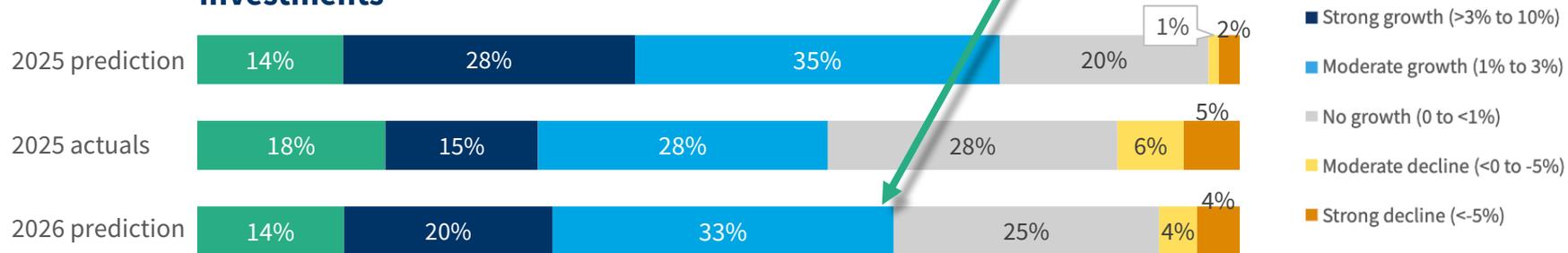


Q2 “How did your company’s 2025 business performance in the U.S. compare to 2024?” subcategories Profits and Investments; 2026 N=240
 Q3 “Looking forward, how do you predict your business in the U.S. will develop in [coming year] vs. [last year]”; 2026 survey N=240-243; 2025 survey N=203-207

2026 GERMAN AMERICAN BUSINESS OUTLOOK

PROFITS & INVESTMENTS SHOW SAME REBOUND PATTERN**Profits**

Electronics/Semiconductors:
82% of companies plan to increase their investment this year (vs 67% overall)

Investments

Q2 "How did your company's 2025 business performance in the U.S. compare to 2024?" subcategories Profits and Investments; 2026 N=240

Q3 "Looking forward, how do you predict your business in the U.S. will develop in [coming year] vs. [last year]"; 2026 survey N=240-243; 2025 survey N=203-207



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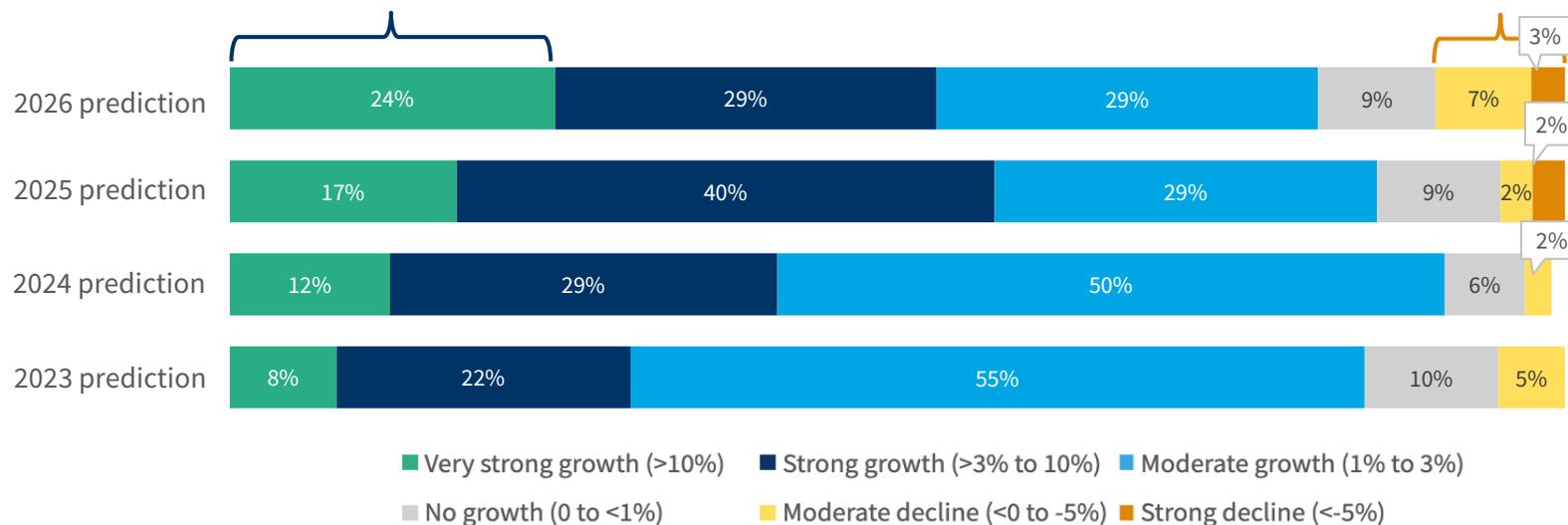
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Source: GACCs, 2025 and 2026

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CHALLENGES LEAD TO DIVERGENT EXPECTATIONS

Expectations for “very strong growth” and for declines in net sales are both above historic norms.



Q3 “Looking forward, how do you predict your business in the U.S. will develop in [coming year] vs. [last year]” subcategory Net Sales; 2023 N= 198, 2024 N=218, 2025 N=207, 2026 N=243



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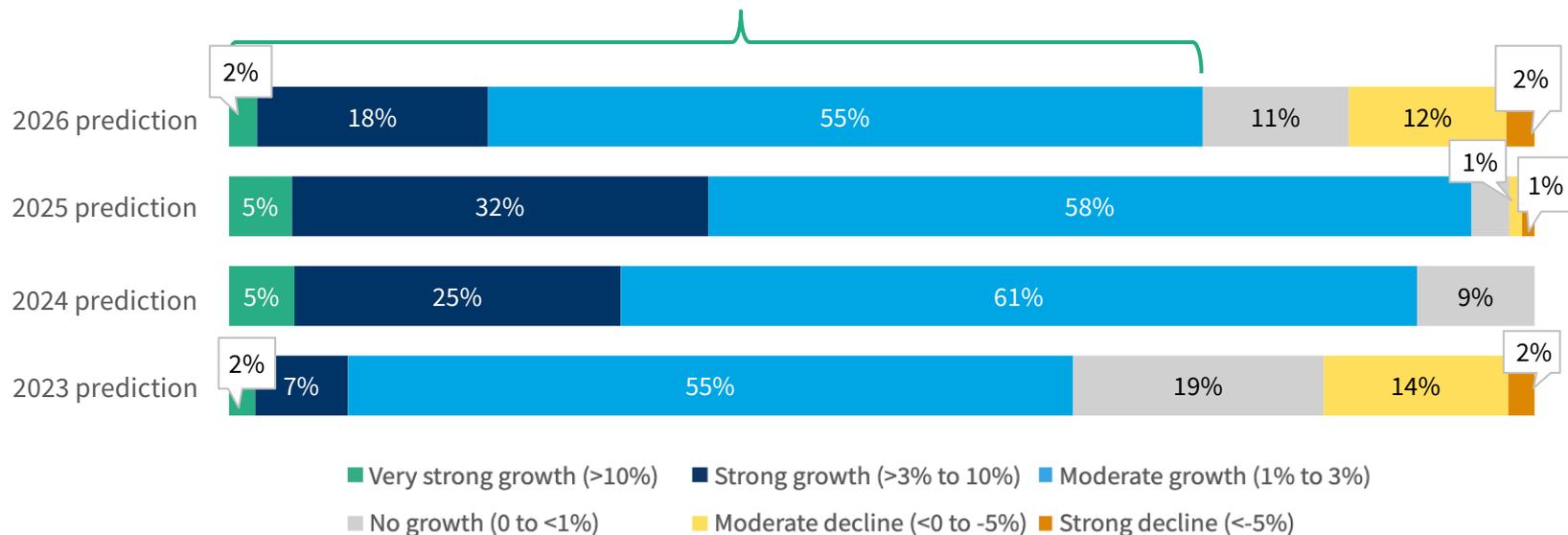
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Source: GACCs, 2023-2026

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EXPECTATIONS FOR U.S. ECONOMY COOLING

Last year 95% predicted growth, this year only 75% predicting growth, while 14% expect contraction.



Q3 "Looking forward, how do you predict [...] the U.S. economy will develop in [coming year] vs. [last year]?" 2023 N=201, 2024 N=218, 2025 N=207, 2026 N=243



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Source: GACCs 2023-2026



2026 GABO RESULTS

Uncertainty and Tariffs

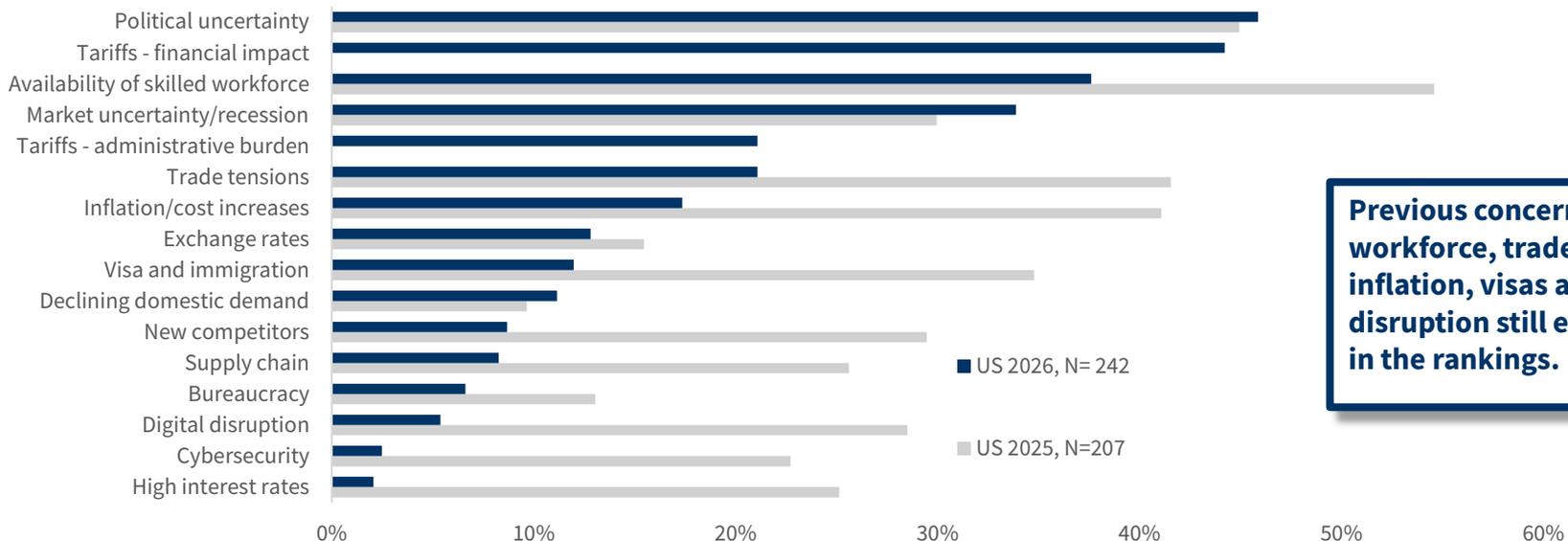
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POLITICAL UNCERTAINTY NOW THE #1 CHALLENGE**The financial impacts of tariffs are close behind.**

Previous concerns like workforce, trade tensions, inflation, visas and digital disruption still exist, but drop in the rankings.

Q9 "What are the three biggest challenges for your company today in the U.S.?" Multiple answers possible, 2025 N=207, 2026 N=242

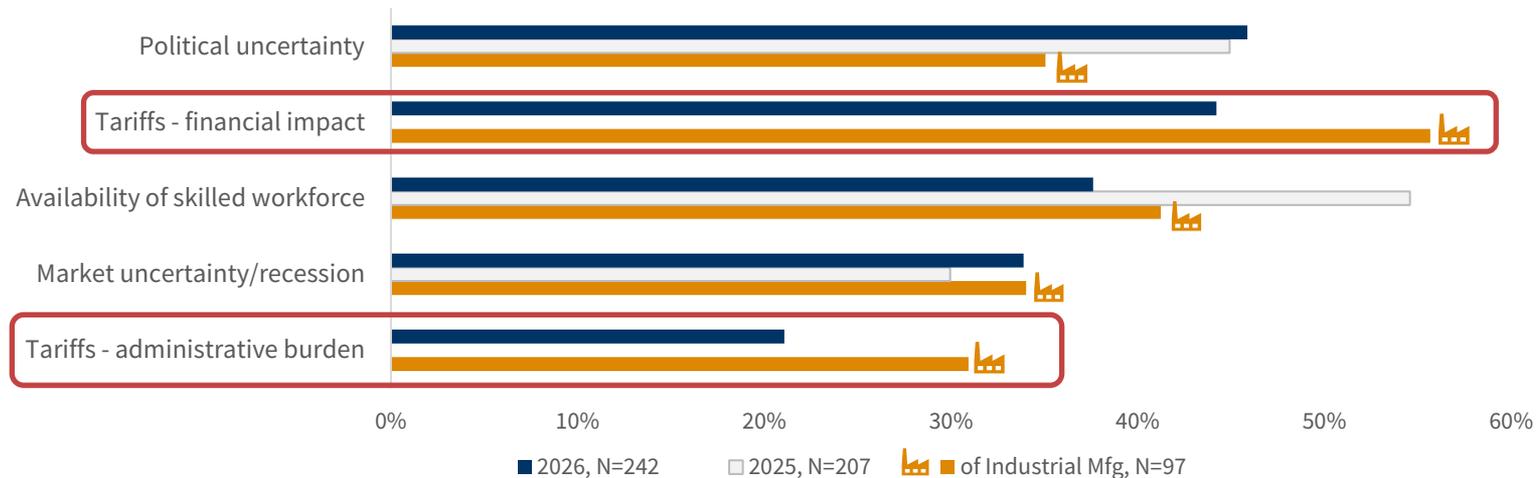


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Source: Q9, GACCs, 2025-2026

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TARIFFS ESPECIALLY BURDENSOME FOR INDUSTRIAL MFG.**56% list the financial burden of tariffs as a main concern and over 30% mention the administrative burden.**

Q9 "What are the three biggest challenges for your company today in the U.S.?" Multiple answers possible, 2026 Industrial manufacturing N=97

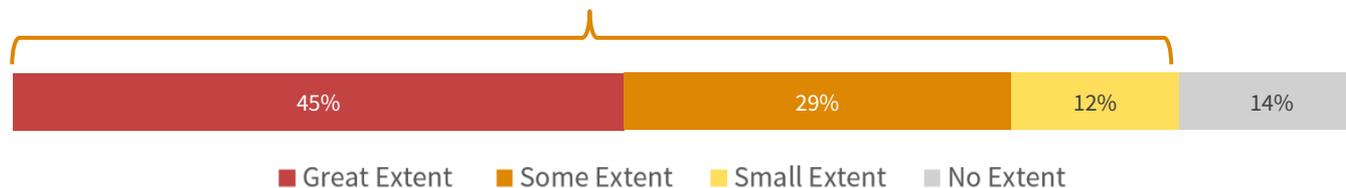
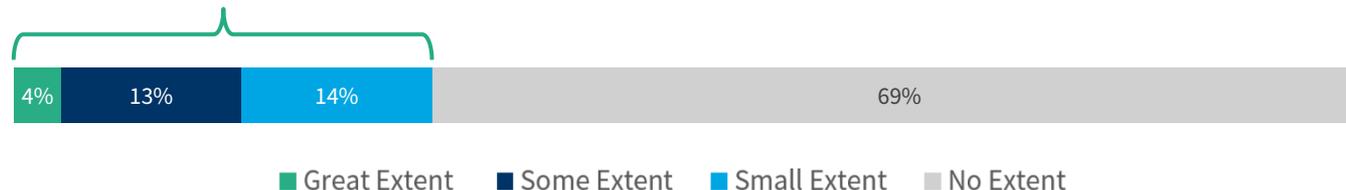


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Source: Q9, GACCs, 2026

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86% NEGATIVELY IMPACTED BY TARIFFS**86% of all respondents reported negative impacts of tariffs:****Though 31% of all respondents did see a positive effect of tariffs:**

Q16 - "How have U.S. tariff policies impacted your U.S. business, positively and/or negatively?" Positive N=226, Negative N=241



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Source: Q16, GACCs, 2026

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U.S. PRODUCTION INCREASES POSITIVE EFFECTS**16% of companies without U.S. production report benefits.****This increases to 44% for companies with U.S. production.**

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

■ Great Extent
 ■ Some Extent
 ■ Small Extent
 ■ No Extent

Excluding Financial and Professional Services.

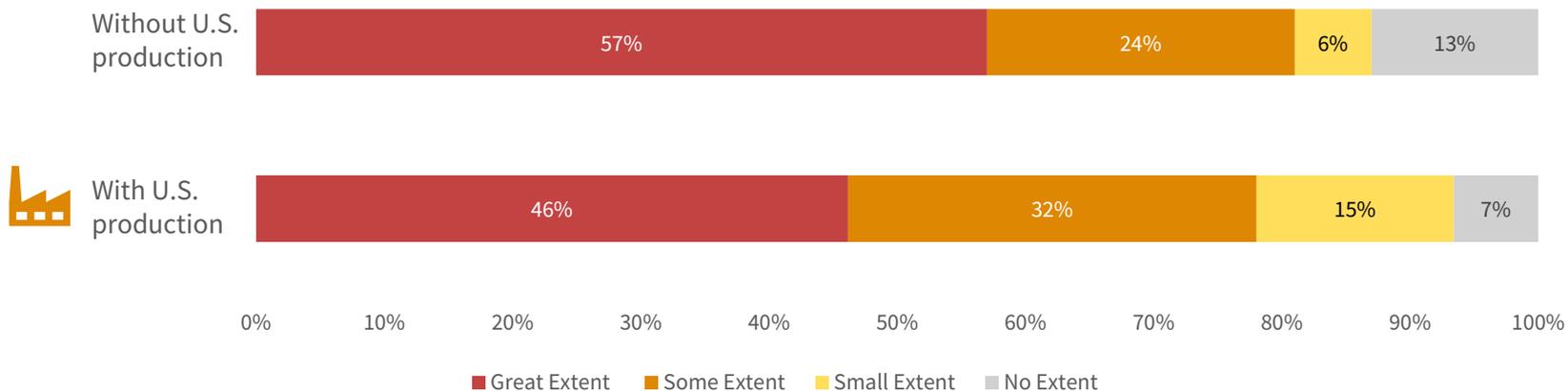
Q16 - "How have U.S. tariff policies impacted your U.S. business, positively and/or negatively?" No production N = 92, with production N=84



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WHILE TARIFFS STILL HURT ~90% OF RESPONDENTS**U.S. manufacturers still face supply chain costs and the administrative burden of tariffs.**

Excluding Financial and Professional Services.

Q16 - "How have U.S. tariff policies impacted your U.S. business, positively and/or negatively?" No production N = 92, with production N=84



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TARIFFS PASSED ON TO CUSTOMERS

For those who have adjusted their pricing strategy, over half completely pass on the costs to their customers or distributors; another third split the costs.



- We fully pass the additional costs on to our distributors/customers.
- We share the additional costs with our distributors/customers.
- We absorb the additional costs internally.

Q17 – “Has your company adjusted its operational or pricing strategy in response to the tariffs?” 2025 N=165



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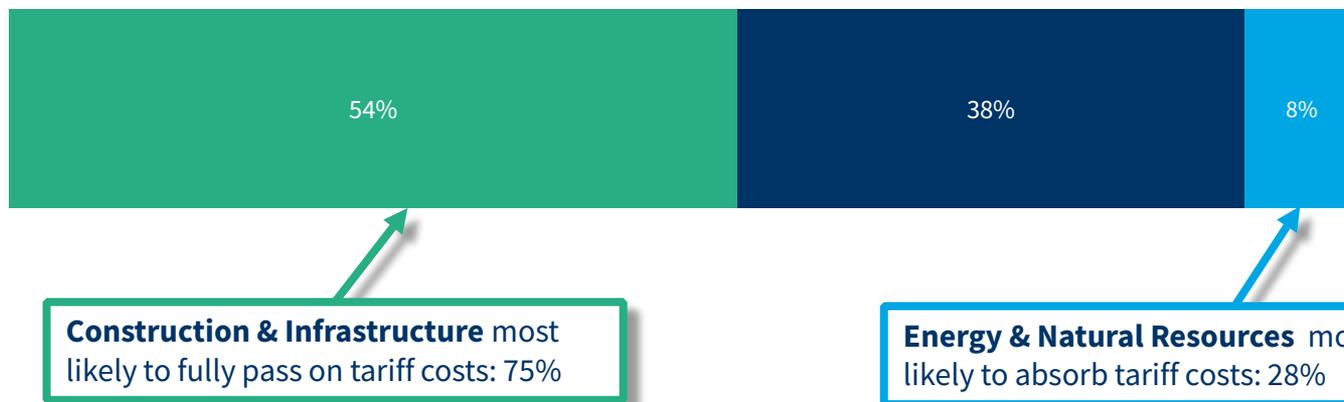
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Source: Q17, GACCs

2026 GERMAN AMERICAN BUSINESS OUTLOOK

TARIFFS PASSED ON TO CUSTOMERS

For those who have adjusted their pricing strategy, over half completely pass on the costs to their customers or distributors; another third split the costs.



Construction & Infrastructure most likely to fully pass on tariff costs: 75%

Energy & Natural Resources most likely to absorb tariff costs: 28%

Q17 – “Has your company adjusted its operational or pricing strategy in response to the tariffs?” 2025 N=165



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Source: Q17, GACCs



2026 GABO RESULTS

Investment plans remain strong

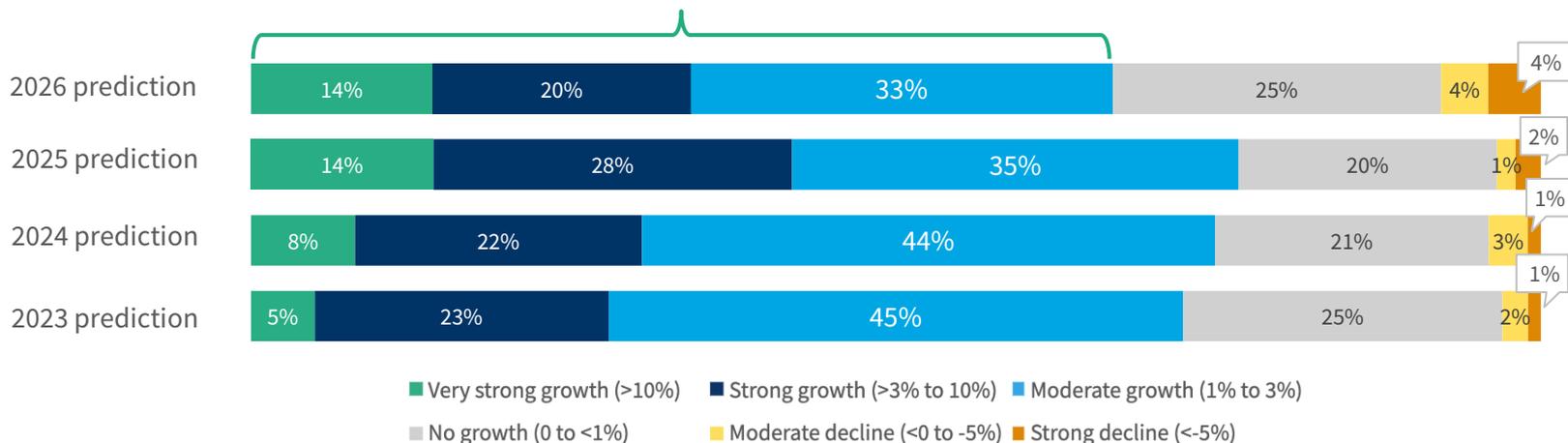
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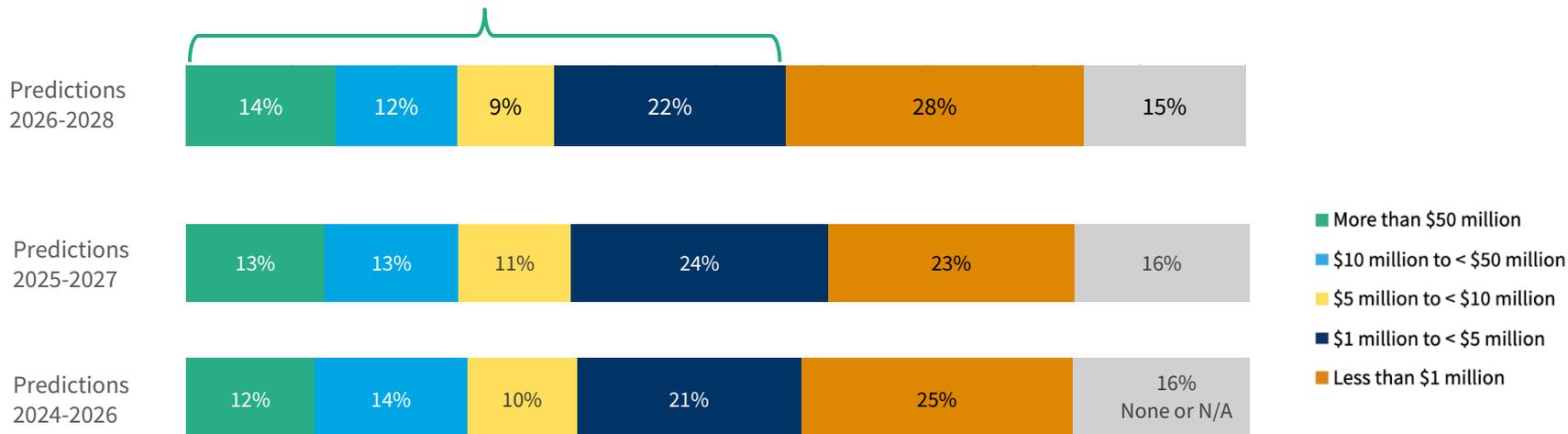
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2026 INVESTMENTS SLOWER TO REBOUND**67% still plan to increase their investment in the U.S. this year.**

Q3 - "Looking forward, how do you predict your business in the U.S., will develop in 2026 vs. 2025 across the following categories?" - subcategory investments
 2023 N=197, 2024 N=218, 2025 N=207, 2026 N=243

2026 GERMAN AMERICAN BUSINESS OUTLOOK

3-YEAR INVESTMENT PLANS ARE ESSENTIALLY UNCHANGED**56% of companies plan to invest over a million dollars in the next three years, in line with historic norms**

Q4 - "How much is your company planning to invest in the U.S. within the next three years (2026 – 2028)?" 2024-2026 N=223, 2025-2027 N=205, 2026-2028 N=242



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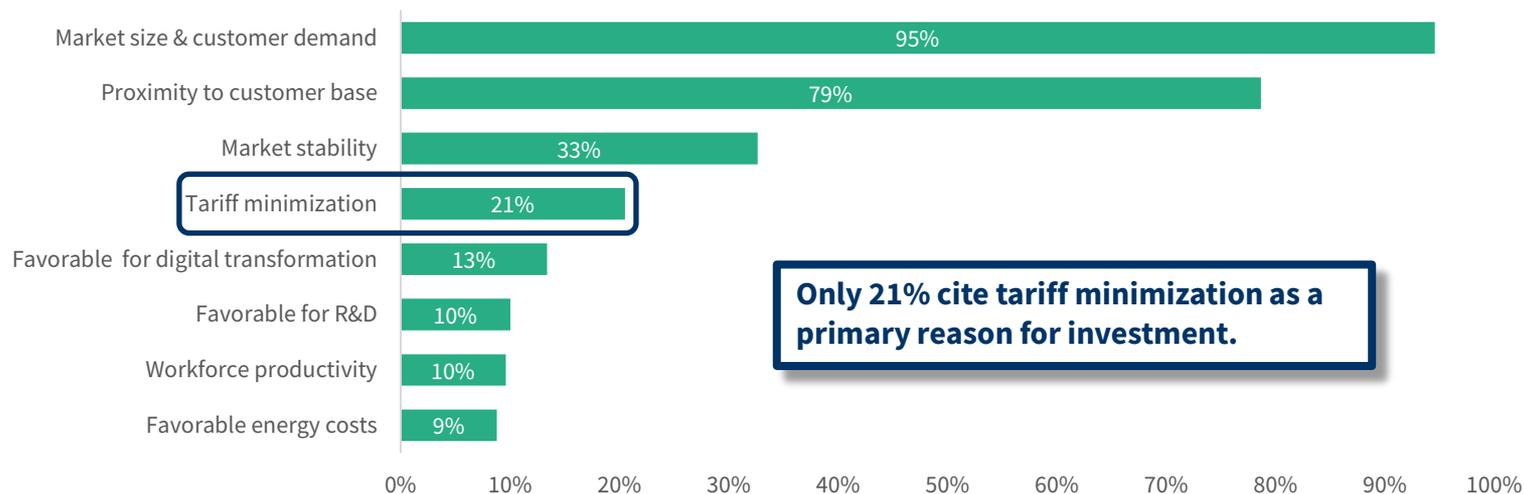
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Source: Q4, GACCs, 2023-2026

2026 GERMAN AMERICAN BUSINESS OUTLOOK

COMPANIES ARE INVESTING BECAUSE...

German companies invest due to market size and customer proximity, and that is not going to change any time soon.



Q5 – “What are your company’s top three reasons for investing in the U.S. relative to other global markets?” Multiple answers possible; top eight investment reasons shown. 2026 N=239

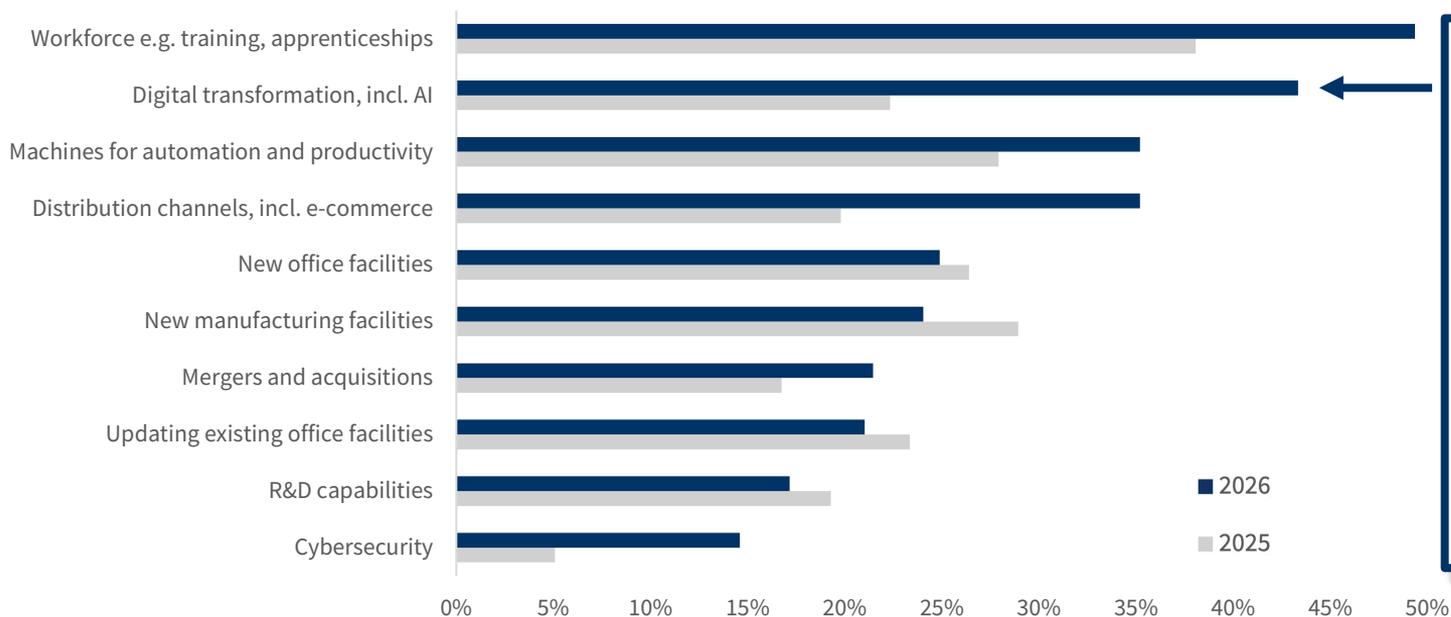


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Source: Q5, GACCs, multiple answers possible

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WORKFORCE AND DIGITAL: TOP INVESTMENT PRIORITIES

- **Digital transformation incl. AI investment outlook has almost doubled (22% to 43%).**
- **Workforce, as always, a priority.**
- **Automation investments to increase.**
- **Small companies driving distribution expansion.**

Q6 “In which areas is your company planning to invest in the U.S. within the next three years (2026 - 2028) vs 2025 data (2025-2027)” Multiple answers possible, top ten investment areas shown. 2025 N=197, 2026 N=233



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Source: Q6, GACCs, 2026 multiple answers possible, 2025.



Workforce Investment

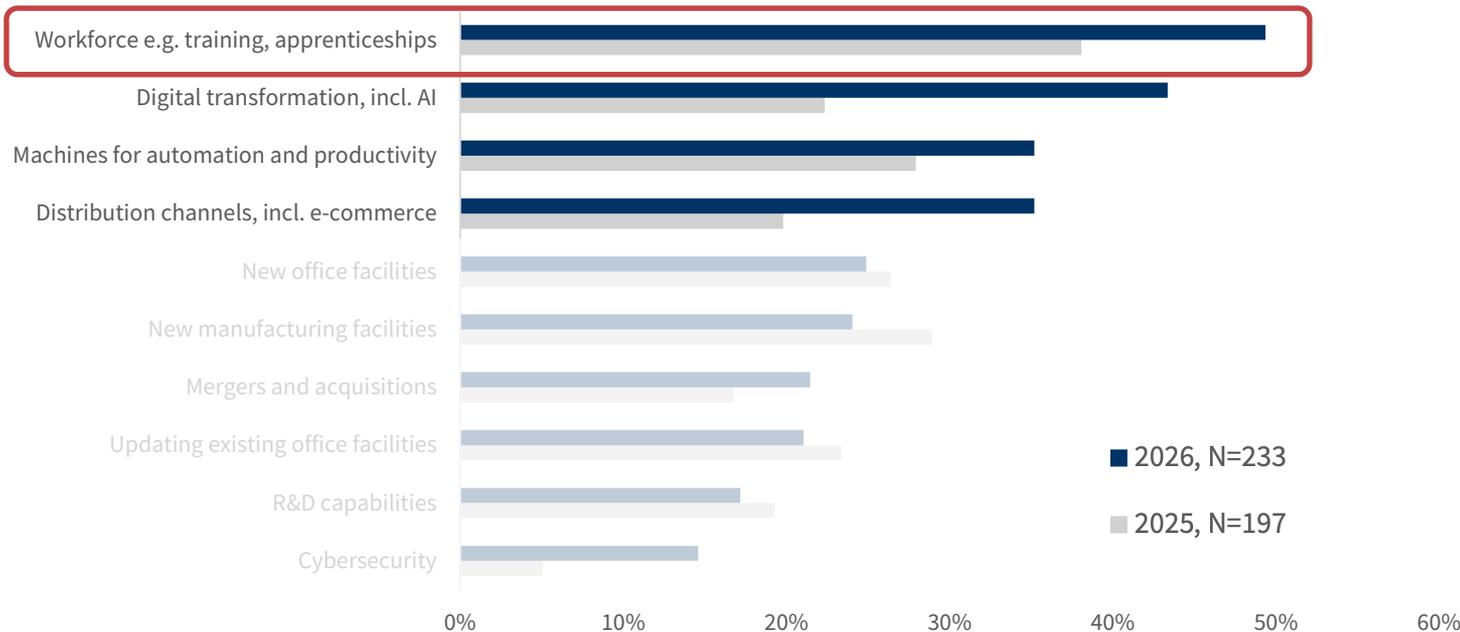
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SPOTLIGHT: WORKFORCE**Workforce remains the number one area of investment for German companies**

Q6 "In which areas is your company planning to invest in the U.S. within the next three years (2026 - 2028) vs 2025 data (2025-2027)" 2025 N=197, 2026 N=233

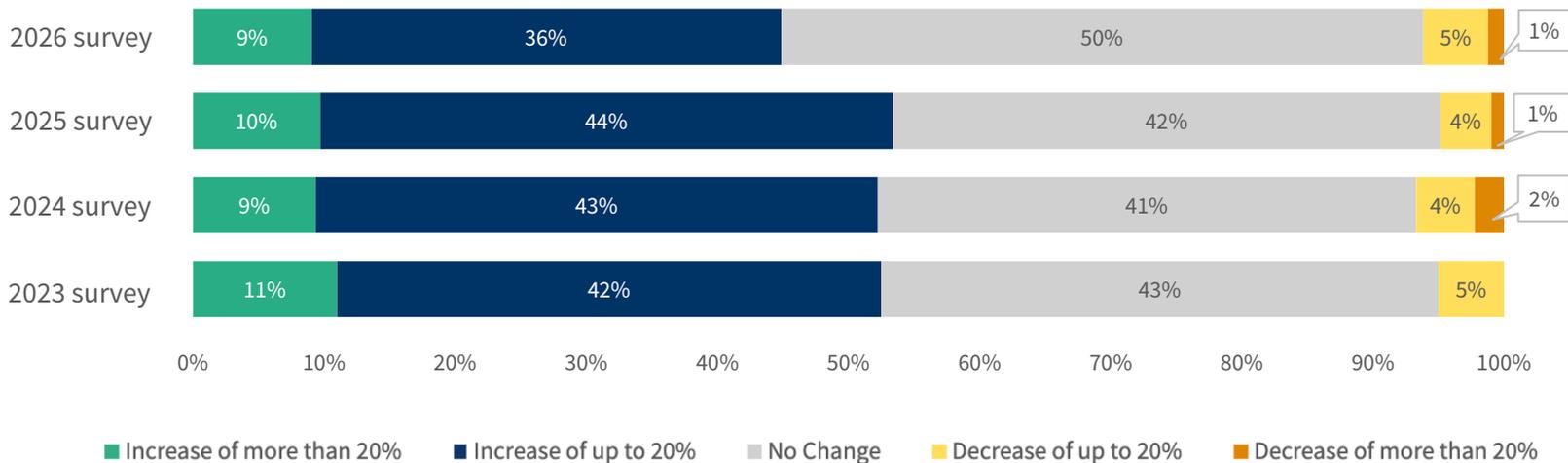


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Source: Q6, GACCs 2025, 2026

2026 GERMAN AMERICAN BUSINESS OUTLOOK

2025 CHALLENGES LEAD TO MORE CAUTIOUS 2026 HIRING**2026 hiring: The most cautious plans since the pandemic.**

Q12- How do you expect your number of employees in the U.S. to change in [coming year]?" 2023 N=200, 2024 N=218, 2025 N=207, 2026 N=243



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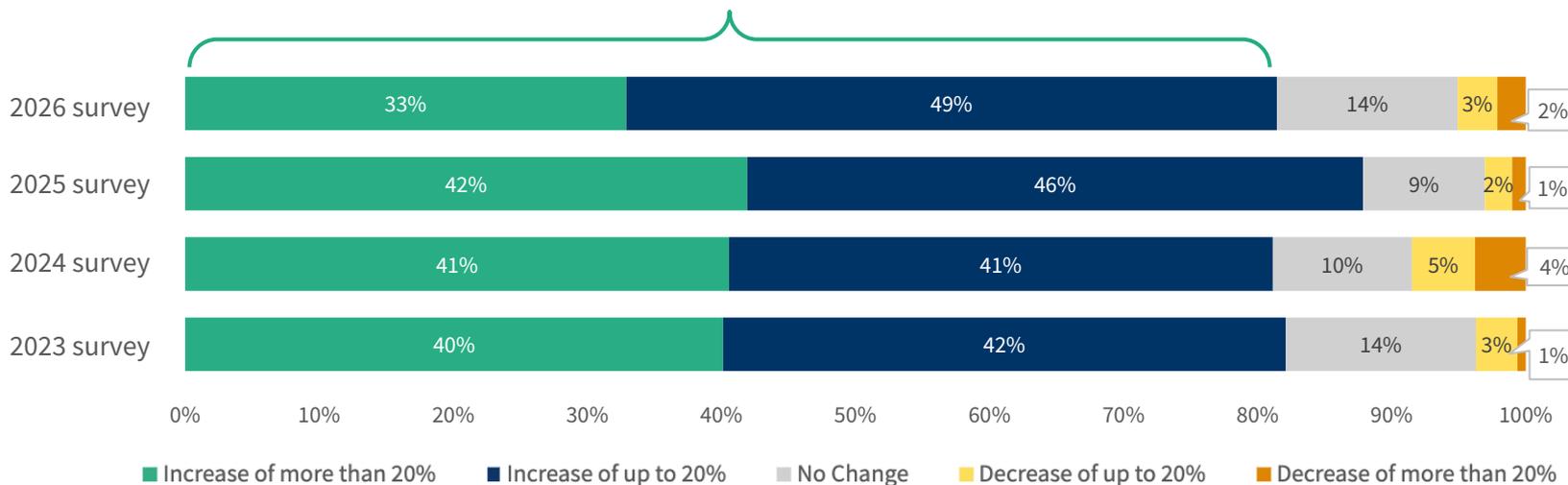
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Source: Q12, GACCs, 2023-2026

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HIRING OUTLOOK BEYOND 2026 REMAINS STRONG

2026-2030 hiring: 81% planning to increase their headcount through 2030, even with investments in digitalization and AI.



Q12- "How do you expect your number of employees in the U.S. to change by 2030?" Numbers shown are rounded to nearest percent. 2023 N=162, 2024 N=218, 2025 N=207, 2026 N=243



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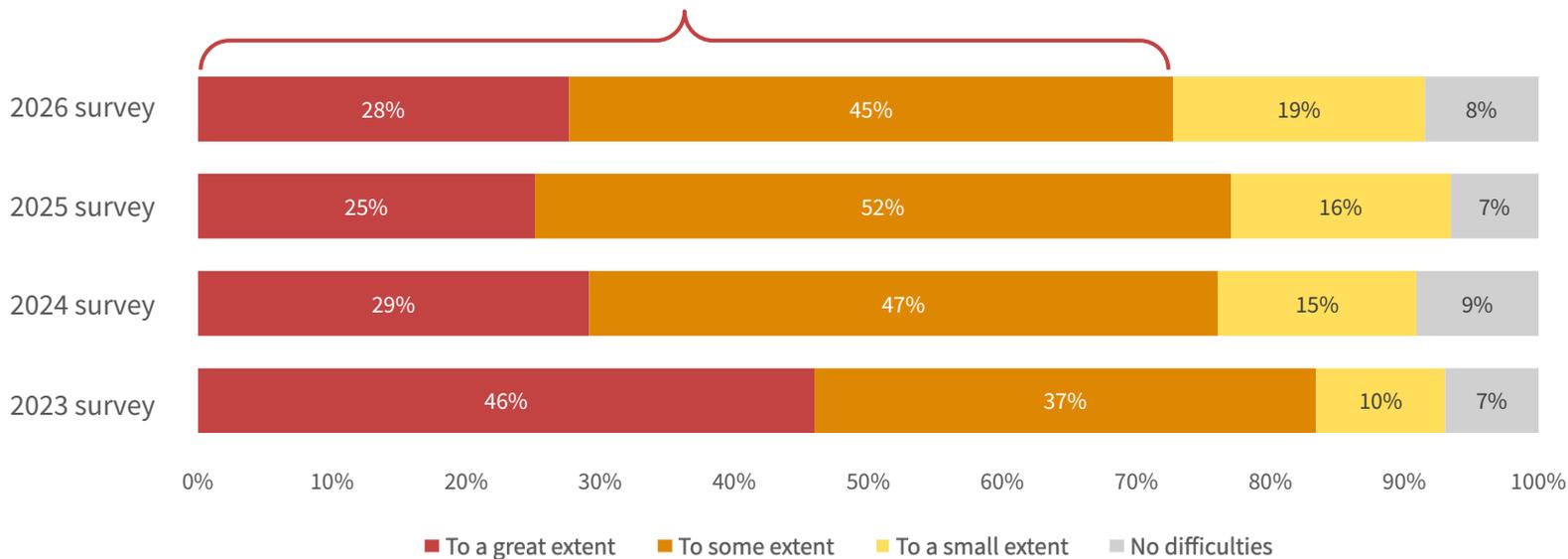
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Source: Q12, GACCs, 2023-2026

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SKILLED WORKFORCE REMAINS A MAJOR CONCERN

73% report 'great' or 'some' difficulties attracting skilled workers.



Q11 – “To what extent do you experience difficulties in attracting skilled workers in the U.S.?” 2023 N=200, 2024 N=218, 2025 N=207, 2026 N=243



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Source: Q11, GACCs, 2023-2026



Digitalization and AI Investments

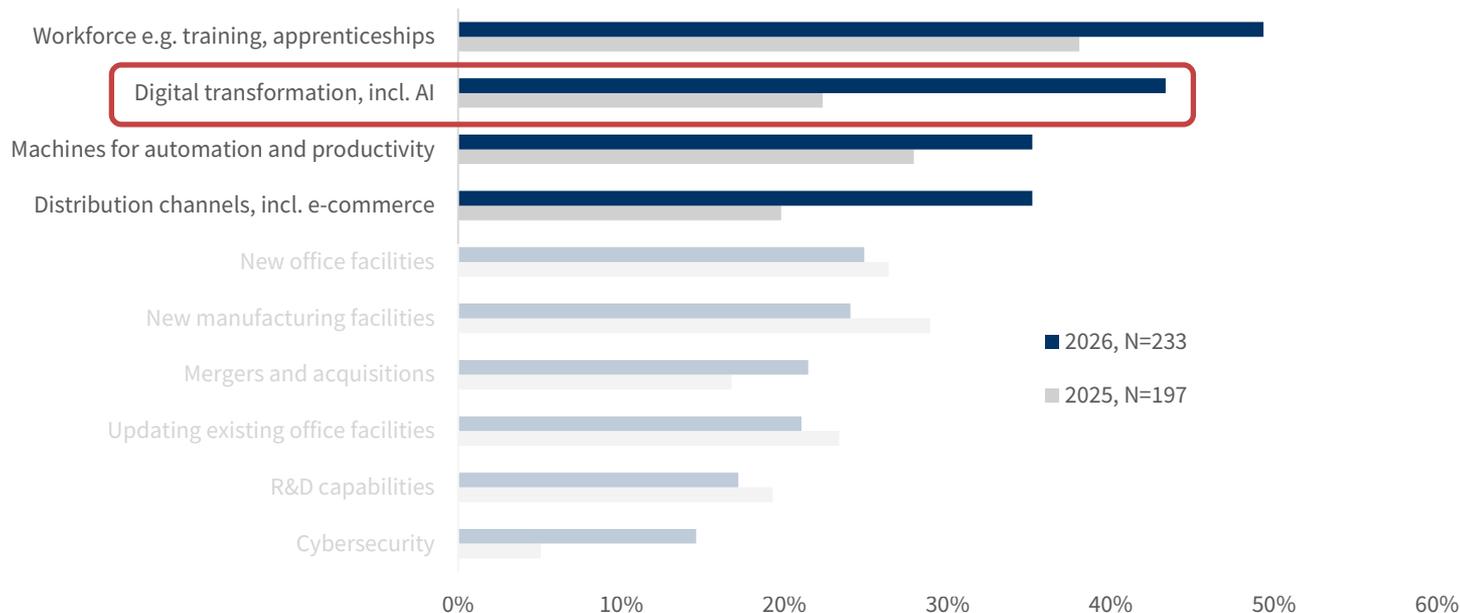
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SPOTLIGHT: A.I.**“Digital transformation including AI” is the second most popular investment.**

Q6 - "In which areas is your company planning to invest in the U.S. within the next three years (2026 - 2028)?" Multiple answers possible, 2025 N=197, 2026 N=233



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Source: Q6, GACCs, 2026

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A.I. IMPLEMENTATION RATE MORE THAN DOUBLED**57% have already implemented A.I. in at least one area, doubling the 2025 rate of 28%**

In 2025: 28% reported “Already Implemented”
In 2024: 26% reported “Already Implemented”

- Already implemented
- Planned implementation in the next three years
- Did Not Answer
- Planned Implementation in the coming year
- Considering Use Case

Q14 - "How is your company implementing AI?" 2024 N=208, 2025 N=189, 2026 N=243



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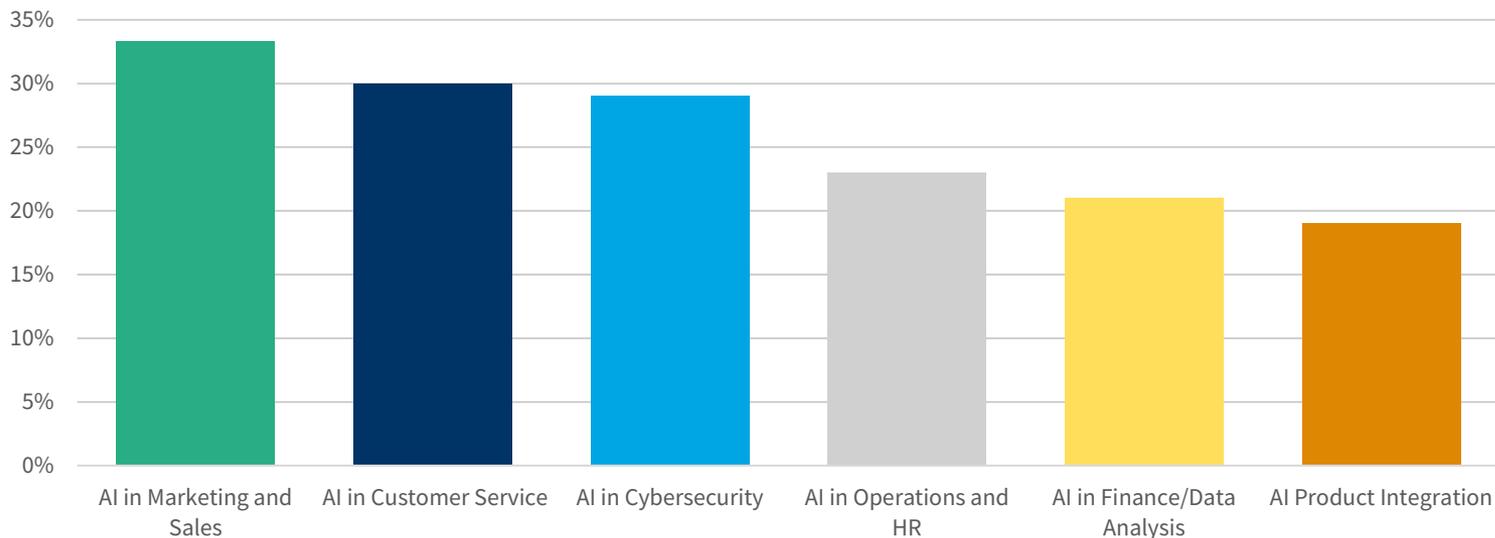
Atlanta | Boston | Chicago | Detroit | Houston | New York | San Francisco | Washington DC

Source: Q14, GACCs, 2026

2026 GERMAN AMERICAN BUSINESS OUTLOOK

A.I. IMPLEMENTATION RATE MORE THAN DOUBLED

Marketing & Sales is the most popular area for implementation. Early adoption led by large companies.



Q14 - "How is your company implementing AI?" 2026 N=243



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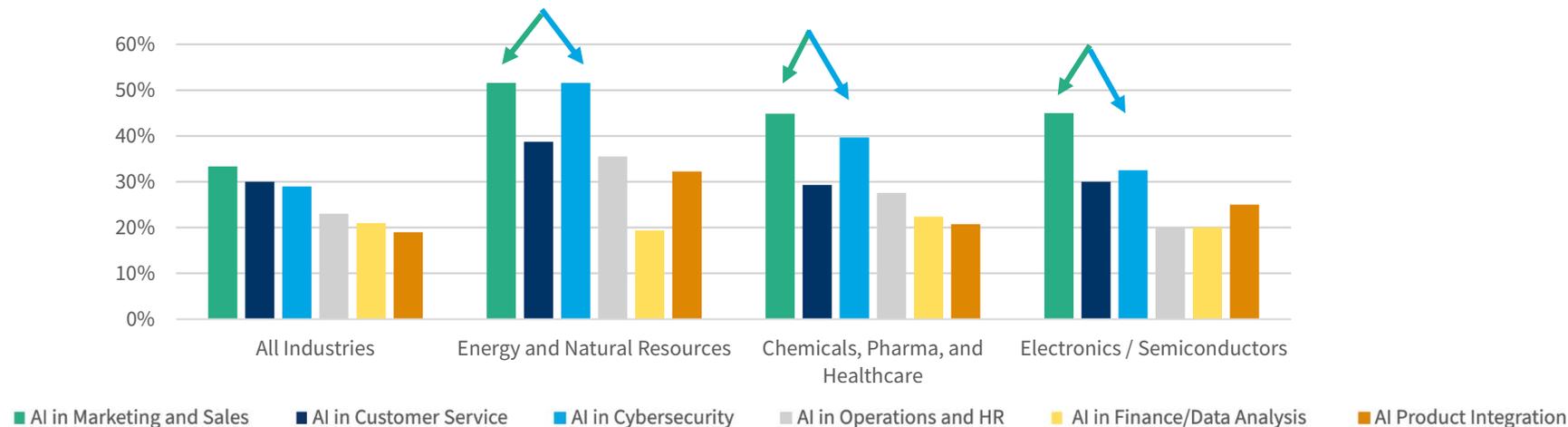
Atlanta | Boston | Chicago | Detroit | Houston | New York | San Francisco | Washington DC

Source: Q14, GACCs

2026 GERMAN AMERICAN BUSINESS OUTLOOK

ENERGY & NATURAL RESOURCES LEADS IMPLEMENTATION

- **83% of respondents active in industry “Energy & Natural Resources” have implemented AI in at least one area (compared to 57% of all respondents).**
- Other early adopters include Chemicals, Pharma & Healthcare; and Electronics/Semiconductors.
- Early adopter industries more likely to focus on **Marketing & Sales** and **Cybersecurity**.



Q4 - "How is your company Implementing AI?" Energy and Natural resources N=30; Chemicals, Pharma, and Healthcare N=59; Electronics/Semiconductors N=40



Thank you

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GERMAN AMERICAN BUSINESS OUTLOOK 2026

For more information, contact:

Simone Pohl

German American Chamber of Commerce® of the Midwest, Inc. (GACC Midwest)

pohl@gaccmidwest.org



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